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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : R/Adm. E. T. Layton

FROM : Ross R. Hirshfeld

SUBJECT: Report of Conversation

DATE: March 22, 1956

Attached report is forwarded in view of the extreme tone  
of the statements reported.

Very respectfully,

/s/

Ross R. Hirshfeld

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4 September 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Consultation Relative to Item 4, MSC Action 1978

PRESENT: General Cabell, Mr. Amery, General Truscott, CIA;  
Dr. Reed and Mr. Macy, Bureau of the Budget

TIME : 3 September 1958, 4:30 p.m.

1. Dr. Reed opened the conference saying that the Bureau of the Budget was only anxious to be helpful to the DCI in their suggestions. He referred to the recent compilation of intelligence costs and expressed the concern of the Budget Bureau relative to costs and their hope that their suggestions might be helpful in effecting economies. He wished to discuss several points with General Cabell preparatory to reporting to Mr. Stans who is absent on a speaking tour. He remarked that the principal problem concerned paragraph 2.a. and the size of the Board but that they had some questions they would like to check first.

2. Page 2, sub-paragraph 2.b.: Dr. Reed asked if a smaller Board would not be more effective and why should not the representative of the JCS for example coordinate for the military departments. General Cabell explained that it was essential that those agencies with collection, evaluation and production capabilities be included in the membership of the Board and that the present organization of the Department of Defense did not permit adequate control and coordination by the JCS or the Defense representative. There was some further discussion along general lines but Dr. Reed did not press this point.

Page 4, paragraph 2.d.: Dr. Reed questioned the propriety of using this directive to prescribe the attendance of the Attorney General and the Chairman of the AEC at Council meetings. General Cabell explained that the reason was somewhat historical; that both agencies had statutory responsibilities concerning very sensitive matters and that provision here was to insure they would be represented whenever foreign intelligence matters presented to the NSC might be of concern to them. The explanation seemed to satisfy Dr. Reed.

Page 5, paragraph 2.f.: Dr. Reed remarked that the last sentence seemed to issue an order and then say "you'll carry it out." General Cabell explained that the Directives applied to the Intelligence Community and to the departments and agencies of which they were a part, but also to other departments and agencies of the Government.

Page 8, sub-paragraph 4.c.: Dr. Reed noted that the last sentence referred to the sub-committee structure of the U. S. Intelligence Board and pointed out that this is the first and only reference to it. He wondered whether some reference to this sub-committee structure should not be included in paragraph 2.c. following the first sentence referring to the Board determining its own procedures. Mr. Amory remarked that the assumption was that any Board could establish sub-committees as necessary. General Cabell agreed that Dr. Reed's suggestion might be advisable and that we would recommend such change.

Page 8, paragraph 4.d., third line: There was some discussion as to the varying membership or attendance at Council meetings. Dr. Reed questioned the phrase "as appropriate" as applied to members of the NSC and commented at some length on the membership of the NSC. General Cabell explained that measures involving different degrees of sensitivity and of security clearances, as well as of interest to members of the Council, were involved. He pointed out that security clearances varied in degree. Mr. Amory explained the problems of dissemination at some length. General Cabell explained that the expression was to allow the Director sufficient latitude to accomplish his disseminating responsibility and that no discrimination was intended. All seemed in agreement that this was adequate for a broad directive of this nature.

Page 10, sub-paragraph 6.a.(1): Dr. Reed asked what was the reference to - knowledge and technical talent available in the Government or to the Government, indicating that to would be the broader term in their opinion. General Cabell replied that the intent was both - that is, that the reference was to talent in the Government but outside the Intelligence Community but that talent outside the Government was obviously included and was in fact very widely used. General Cabell suggested inserting the words "and to" following in" at the end of that sentence.

3. Dr. Reed then referred to paragraph 2.a. He noted that this paragraph appeared to give the Board two classes of duties -- to advise and assist the DCI, and separate duties listed in (1) to (6). He asked why these Board duties (1) to (6) should not also be to advise and assist the DCI and asked whether the Board could take action to which the DCI was opposed. General Cabell explained the importance of corporate responsibility at some length. He referred to the actual development of this responsibility in the IAC itself

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and explained that he had had an important share when Chief of Air Force Intelligence in developing this concept. It had actually been instituted by General Smith when he became Director. General Truscott pointed out that this format actually conformed to the NSC Action 1873 and reflected the merging of the policy, coordinating and supervisory responsibility of the IAC and USCIB under their former directives. General Cabell went on to explain that the development of this paragraph had posed a very difficult problem and that the Intelligence Community had finally reached full agreement upon it. (Both Dr. Reed and Mr. Macy remarked that they had a much clearer concept after General Cabell's persuasive explanation and said prior to which they had had strong reservations.

4. General Cabell referred to page 10, paragraph 5, the last sentence, and informed Dr. Reed that a joint meeting of IAC and USCIB the preceding day had approved deleting the phrase following the word "methods" in the last sentence and adding a new sentence: "A report of these investigations, including corrective measures taken or recommended within the departments and agencies involved, shall be transmitted to the Director of Central Intelligence for review and such further action as may be appropriate, including reports to the NSC or the President."

5. Dr. Reed asked whether or not paragraph 2.a. would be referred to the Attorney General for opinion. General Cabell explained that this would not be necessary unless this consultation resulted in a change that would have possible conflict from a legal point of view with existing law. General Cabell read the NSC Action 1978, b.(1) on this point.

6. Dr. Reed said that he would inform Mr. Stans of the result of this conference as soon as Mr. Stans returned and would ask him to call General Cabell.

7. The meeting ended at 5:30 p.m.

/s/

L. K. TRUSCOTT, JR.  
General, USA (Retired)  
Deputy Director (Coordination)

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